Belgrade leaders ignored

YUGOSLAVIA'S federal government, for decades one of the weakest in Europe, has apparently been swept to one side by army commanders bent on forcing a military solution to the country's crisis. The army leadership's action cannot strictly be described as a coup, since the government remains in place, but it is clear that the federal Prime Minister, Ante Markovic, is no longer in the driving seat.

After a week in which he appeared to be taking a leading role in negotiating a settlement to the turmoil and featured prominently in the press and on television, Mr Markovic dropped completely out of sight on Tuesday. Rumours spread in Belgrade that he had been arrested or assassinated.

The rumours were fuelled by the explicit criticism of his government which was made that evening by the army chief of staff, General Blagoje Adzic. He said in a televised broadcast that a truce between the army and Slovene rebels was no longer possible and blamed the government for not taking the situation in hand.

Mr Markovic was not seen in public yesterday, either, but his office issued an emphatic denial of the rumours. It said he had chaired a meeting of his government and was "working normally in his office, trying to calm down and solve peacefully the country's turbulent political situation, which is getting out of hand at times".

The eclipse of Mr Markovic is paralleled by that of his other ministers, notably the Defence Minister, General Veljko Kadijevic. He has not been seen in public since the crisis erupted on 25 June when Slovenia and Croatia declared independence. The General was in hospital earlier this year but is not believed to be so ill that he is incapable of performing his duties, Instead, it seems that his support for the federal government's efforts to find a political settlement has isolated him among the military leaders. General Adzic, in particular, has long advocated active military intervention.

The federal Foreign Minister, Budimir Loncar, was in contact yesterday with Western European governments and assured them From Tony Barber in Belgrade

that the federal authorities were still working for a solution. But it seems that he, too, was powerless to stop the generals seizing the initiative.

The collapse of federal authority should surprise no one. After the Communist take-over in 1945, it was Tito and the party, not the government as such, which wielded real power. Then a series of reforms, culminating in Tito's 1974 constitution, devolved powers to the six republics and two provinces at the government's expense. The governments retained control of such matters as foreign affairs, defence, the currency and customs, but in most other respects the republics were allowed the chance to do as they pleased.

From soon after Mr Markovic took office in March 1989, the West banked on him to pull Yugoslavia out of its ethnic and economic upheavals. Earlier this year President Bush went to the lengths of issuing an explicit statement of support for his government. Unfortunately, the West over-estimated the government's ability to impose its will on the country's republics.

To bolster the government's authority, Mr Markovic last year founded a new political party, the Alliance of Reform Forces, which he hoped would replace the disintegrating Communist Party as the main all-Yugoslav party in the country. It achieved a partial success in elections in Macedonia but otherwise proved incapable of attracting votes.

Lacking a political base, Mr Markovic inevitably failed to implement most federal economic policies. After introducing a new dinar in January 1990 to help eradicate 2,500 per cent annual inflation, he wanted to anchor Yugoslavia in a new federal system of banking, property rights and taxation, but the republics thwarted him. In particular, he was unable to control the issue of money. The dinar has been devalued twice since the currency reform and now inflation is back with a vengeance.